DOCUMENT RESUME

ED 433 450 CE 079 135

AUTHOR	Brinkmann, Christian
TITLE	Controlling and Evaluation of Employment Promotion and the Employment Services in Germany. IAB Labour Market Research Topics No. 36.
INSTITUTION	Institute of Employment Research, Nurenberg (Germany).
ISSN	ISSN-0945-8093
PUB DATE	1999-00-00
NOTE	39p.
AVAILABLE FROM	IAB, Regensburger Strasse 104, 90327 Nuernberg, Germany. For full text: <http://www.iab.dc>.
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	Adult Education; Career Guidance; Education Work Relationship; Employer Employee Relationship; Employment Opportunities; Employment Practices; *Employment Programs; Employment Qualifications; *Employment Services; Federal Legislation; Federal Programs; Foreign Countries; *Job Placement; *Organizational Change; Personnel Evaluation; Program Effectiveness; Program Evaluation; Promotion (Occupational); Quality Control
IDENTIFIERS	European Union; *Germany

ABSTRACT

This paper addresses the emerging evaluation and controlling system of Germany's Bundesanstalt fuer Arbeit, which is responsible for employment promotion. Part 1 discusses changes in employment administration in European countries, a process that has occurred in the Federal Republic of Germany, although most of the basic structures have been maintained there. Part 2 addresses recent innovations in employment promotion, including placement and guidance, from the perspective of control and evaluation, mainly in the context of the new law, Social Code III. It discusses Social Code III, which, since 1998, defines a framework that includes new, closely interrelated provisions for controlling and evaluation and that can be described by the key words "new promotion philosophy," "new programs," "decentralization," and "regionalization." Part 3 focuses on output evaluations now prescribed by law, as well as the concomitant concept of competitive performance, which opens up new opportunities. Part 4 discusses a system of target agreements that specify labor market-related impact targets. A second focus is quality management. After examining these specific aspects, part 5 offers a systematic framework showing the role played by monitoring, control, and evaluation in relation to current issues. Part 6 looks at parallel developments at the European Union level. The report contains 29 references. (YLB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED 433 450

IAB labour market research topics

Institut für Arbeitsmarkt- und Berufsforschung

No. 36

Institute for Employment Research

Christian Brinkmann

Controlling and Evaluation of Employment Promotion and the Employment Services in Germany

- **Decentralisation and Deregulation in the Employment Services**
- **Output Evaluations and Labour Market Related Outcome Goals as Parts of the New Monitoring System**
- **Quality Management**
- **Research Requirements**

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☑ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

T. Rhein

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

1999

1

BEST COPY AVAILABLE

Institut für Arbeitsmarkt- und Berufsforschung
der Bundesanstalt für Arbeit
Regensburger Straße 104, D-90327 Nürnberg

CE 079 135

Publisher of the series:
Institut für Arbeitsmarkt- und Berufsforschung der Bundesanstalt für Arbeit (IAB),
Regensburger Strasse 104, 90327 Nürnberg/Germany
Telephone: +49-911-179-0
Telefax: +49-911-179-3258

Coordinators:
IAB Topics Working Group: Lutz Bellmann, Werner Dostal, Knut Emmerich, Barbara Koller, Gerhard Kühlewind, Gerd Peters, Hannelore Plicht, Thomas Rhein, Alexandros Tassinopoulos, Ulrich Walwei, Heinz Werner

Translator and editor:
Elke Limberger-Katsumi, c/o Institut für Arbeitsmarkt- und Berufsforschung der Bundesanstalt für Arbeit (IAB), Regensburger Strasse 104, 90327 Nürnberg

Distribution:
To order apply to the IAB, Regensburger Strasse 104, 90327 Nürnberg

Annual price:
DM 30 (for German subscribers); foreign subscribers are currently supplied free of charge

Copyright:
No part of this publication may be reproduced in any form without prior written permission of the IAB and in all reproductions full reference of the details must be given.

The series "IAB Labour Market Research Topics" is designed for the publication of selected papers resulting from the work done by the IAB or by studies commissioned by the IAB. Papers bearing the author's name do not necessarily represent the opinion of the IAB or the Bundesanstalt für Arbeit.

ISSN 0945-8093

Visit our website at http://www.iab.de
with English language section including
full text versions of IAB Topics (.PDF file format)

The IAB is the research division of the German Bundesanstalt für Arbeit where scientists of different economic and social science disciplines work. The range of research topics can be characterized briefly as follows:

- observation of and forecasts for the German labour market
- labour market statistics
- labour market theory and policy
- evaluation of employment programmes
- regional and international labour markets
- occupation sociology
- research in skills and qualifications
- technological development and the labour market
- business and personnel management

Christian Brinkmann *)

Controlling and Evaluation of Employment Promotion and the Employment Services in Germany

0 Abstract

1 Introduction

2 Innovations in the field of employment promotion

3 Social Code III: output evaluations

4 Outcome goals for the labour market

5 Frame of reference: monitoring, controlling and evaluation

6 Outlook: Trends in the EU

7 References

*) Christian Brinkmann is a Senior Research Officer with the Institut für Arbeitsmarkt- und Berufsforschung

0 Abstract

In many European countries, employment administrations have undergone changes in recent years in order to become more effective and efficient. Although the same process occurred in the Federal Republic of Germany (FRG), most of the basic structures have been maintained. At the federal level employment promotion has been subject to the provisions of Social Code III since early 1998, this law gave new impetus to this trend and defined a framework characterized by the key words: new promotion 'philosophy', new schemes, decentralisation, and regionalisation. It includes new provisions for controlling and evaluation.

Major elements of this new system will be discussed below: particularly important are the statutory *Eingliederungsbilanzen* (output evaluations) and the goals used as a means of control of the impact on the labour-market.

Eingliederungsbilanzen include detailed and standardised input and output indicators, but no outcome indicators. The most important part of the *Eingliederungsbilanz* are the data on the employment status of each individual "a reasonable period after completion of a programme". Such evaluations are a step in the right direction; however, the very specific provisions of the law will also generate problems. Clearly, they will initially only include "gross" results on short-term re-employment successes, and ignore other desirable objectives, in particular qualitative aspects, such as "employment in keeping with qualifications".

To control placement, counselling and deployment of labour-market policy instruments, labour market-related policy priorities are agreed at all levels of the employment administration. However, currently this goal controlling is only intended to affect factors that can be quantified in the short term - a fundamental problem. For goals affecting the labour-market, quality management will be needed which must then be integrated into the emerging system of goal agreements.

One section of the paper outlines a systematic framework that helps to put the individual aspects described in perspective. The relationships between the concepts of monitoring, controlling and evaluation are established and the current problems are discussed. Finally, parallel developments at the level of the EU are mentioned.

1 Introduction

In many European countries, employment administrations have undergone changes in recent years in order to become more effective and efficient. Although the same process occurred in the Federal Republic of Germany (FRG), most of the basic structures have been maintained.

In Germany, the Bundesanstalt für Arbeit (BA) is responsible for employment promotion. The Bundesanstalt has always been an independent institution with an autonomous administration in which employers, trade unions and government (the appropriate federal

BEST COPY AVAILABLE

ministries, the federal Laender and the municipalities) are all equally represented. It is the Federal Ministry of Labour's responsibility to ensure that the Bundesanstalt acts within the law, but it may not instruct the BA how to act.

The three-tiered organisation of the BA reflects the federal structure of the FRG:

- the head office (federal level) is in Nuremberg,
- there are 10 regional employment office districts (Landesarbeitsamtsbezirke) and
- 181 local employment offices with 640 branch offices.

At each of these levels, an autonomous administrative body is responsible for decision-making. At the federal level, the decision-making body is a quasi-legislative body: the Board of Governors. This Board may direct action on matters not determined by the law provided for by Social Code III. This law has governed employment promotion nation-wide since 1 January, 1998.

In the FRG, in contrast to most other EU member states, employment promotion is mainly financed from contributions to social security funded by employees and employers in equal shares. At present, a total of 6.5% of gross income is deducted at source and allocated to social security. (The federal government may lower this rate once the labour market situation improves.) If the Bundesanstalt runs a deficit, the federal government must approve its budget: this clearly limits its autonomy.

Employment offices will pay unemployment benefits to unemployed persons for a limited period depending on age, e.g. for younger unemployed persons, the maximum duration is one year. Once they are no longer entitled to receive such benefits, destitute unemployed persons receive unemployment relief from federal funds. If they are destitute but not entitled to insurance benefits, they receive welfare benefits from local governments. All in all, about 20% of people out of work do not receive any payment from the employment office, about 10% to 15% depend on welfare payments they receive from the municipalities.

It is the municipalities that should fund measures for vocational integration of these unemployed persons. They co-operate with the employment offices which continue to bear the primary responsibility for unemployment benefits, job placement, counselling, vocational guidance and measures ("one-stop-shopping"). For some years now, employment offices have no longer been solely responsible for job placement and counselling: today there are also private employment agencies and vocational guidance agencies that cater specifically to the needs of young people or adults.

In the FRG, just as in other countries, the main pillars of labour market policy are:

- training and qualification measures,
- job creation measures (must be work that would not otherwise be done and which is in the public interest),
- wage subsidies for hard-to-place unemployed people,
- start-up subsidies for self-employed and other ventures.

BEST COPY AVAILABLE

After German unification and the ensuing transformation in eastern Germany, labour market policy efforts were stepped up considerably. In 1998, the Bundesanstalt's budget was DM 100 billion (about Euro 50 billion), quite a respectable sum, about 10% of which was covered by a grant from the federal government.

As the labour administration increased its activities, there were calls for organisational change because many still considered the BA to be over-centralised and bureaucratic. At the same time, some felt that there should be more thorough evaluation and "controlling" of the BA's work, in the sense of greater oversight, and specifically, greater monitoring and feedback to decision-makers at all levels of the organisation.

These changes are reflected in the new law, Social Code III. Developments in this area will be described below.

This paper addresses the BA's emerging evaluation and controlling system. It should be noted that this discussion of evaluation and controlling primarily relates to the interface with employment research. Many other aspects which might otherwise be considered to fall within the scope of a discussion of organisational controlling will not be included in this paper.

However, the issue of controlling is increasingly affecting employment research in the following ways:

- more questions are being asked about output and outcome, about the impact of the BA's activities on the labour market, i.e. of guidance, placement and programmes;

- secondly, the evaluation of labour-market policy measures is directly affected - this is a field of research the Bundesanstalt für Arbeit Institut für Arbeitsmarkt- und Berufsforschung (IAB - Institute for Employment Research) has been focussing on in recent years. This work not only integrates the results of impact research into the BA's emerging controlling system, but also

    - places new demands on research,
    - makes new types of data available,
    - is paving the way for new forms of co-operation between academic research and practical work within the BA.

The new legal situation created by Social Code III, Section 280, is instrumental in this respect, because it says that the BA must not only examine and evaluate the labour market situation and its trends, but must also track them.

" the impact of active employment promotion by
1. compiling statistics,
2. engaging in labour market and occupational research, and
3. reporting thereon."

BEST COPY AVAILABLE

The wording of the law makes clear that in this context, outcome control and evaluation are not solely a task of the IAB or of research, but of the BA as a whole at all levels. A wide range of well co-ordinated activities is called for.

Part 2 of this paper will address recent innovations in employment promotion, including placement and guidance, from the perspective of control and evaluation, mainly (but not exclusively) in the context of Social Code III. The key word here is: *decentralisation*.

The paper discusses output evaluations (*Eingliederungsbilanz*) now prescribed by law, as well as the concomitant concept of competitive performance, which, while having their limits and associated risks, open up new opportunities (Part 3). The BA has designed a system of target agreements which specify labour market related impact targets. This system, together with aspects of quality management, also deserve the reader's attention (Part 4).

After examining these specific aspects, the paper offers a systematic framework showing the role played by monitoring, control and evaluation in relation to current issues (Part 5). This is followed by a look at parallel developments at European Union level (Part 6).

The author does not wish to contribute to the general discussion about merits and demerits of applying private enterprise controlling activities to public administrations. The following ideal-typical differences would make this difficult (Postlep, 1994):

- in the one case, goods are made available to be sold in the private economy, in the other, the goods are (almost exclusively)[1] public;
- in the one case, purchasing power driven demand and profitability are the criteria, in the other, the objectives are more complex, partially inconsistent; there are no clearly defined and prioritised administrative policy decisions with the vested interests of the parties at stake;
- and there are traditional problems created by administrative acts, like biased spending behaviour and lack of output planning.

This generalised description may help to explain a number of specific problems that surface downstream and which will also be addressed below.

2 Innovations in the field of employment promotion

2.1 Arbeitsamt 2000

Let us take a closer look at some of the changes in the employment administration and the reasons for these changes. Although the *Arbeitsamt 2000* (Employment Office 2000) concept and related developments are of major importance, this paper will not dwell on

[1] Placement and counselling can be offered by private enterprises for remuneration. Public administrations may produce goods that can be sold. Nevertheless the ideal-typical distinction made here illustrates the transfer of the concept of controlling contemplated herein to public administrations and the related special difficulties.

BEST COPY AVAILABLE

Figure 1

"Employment Office 2000"

Influencing Factors
Labour market – Finances – Laws – Technological Development – Clients – Employees

Organisational Philosophy

Fundamental Organisational Objectives	Organisational Principles
- Orient services to the customer	- Listen to client expectations
- Provide services productively	- Optimise structural and procedural organisation
- Provide services cost-effectively	- Expand options for decentralised action
- Encourage employee satisfaction and accomplishment	- Plan, guide and monitor better.
	- Empower employees and lead staff through co-operation

Fields of Action

- Set up customer-oriented staff teams
- Decentralise available services
- Simplify operating procedures through process-oriented handling
- Adapt organisational structures within local employment offices
- Adapt organisational structures within regional employment offices
- Enhance facilities for clients to seek out information for themselves
- Distribute organisational and budget authority
- Introduce controlling
- Expand use of information technology
- Enhance training for staff and management
- Human resources development strategy
- Redesign directives
- Adapt infrastructure, particularly in real property management

Labour market – Finances – Laws – Technological Development – Clients – Employees
Influencing Factors

BEST COPY AVAILABLE

internal organisation and organisational controlling changes (Bundesanstalt für Arbeit, 1996b). Figure 1 shows the areas of activities as they look now, subsequent to the redefinition of organisational objectives. This new model has been tested in a number of pilot employment offices and the initial results are in (Kulozik, 1998). The introduction of team-based organisation and flat hierarchies will doubtlessly cause a certain amount of friction and must be seen as a long-term effort. The process is supported by other performance-based management trials in some employment offices. The Bertelsmann Foundation is involved in this endeavour and has contributed valuable experience from similar reengineering efforts in local governments (Bundesanstalt für Arbeit 1995 and 1996).[2]

2.2 Social Code III: Decentralisation and regionalisation

Social Code III gave new impetus to the "revamping" of the employment administration. It defined a framework which can be described with the key words: new promotion 'philosophy', new programmes, decentralisation, and regionalisation. It includes new, closely interrelated provisions for controlling and evaluation.

At this point, we are not so much interested in the "new promotion philosophy", which is reflected in the new instruments (Ammermüller, 1997; Brinkmann/Kress, 1997) to a certain extent only. The objective of directly balancing the labour market is stressed more than before, i.e. specific problem groups on the labour market should be specifically targeted (Section 7 (3)); the target group is further limited to persons paying social security contributions and persons receiving payments to replace earnings under Social Code III. At the same time, it is stressed that local governments have responsibility for employment policy (although the nature of this is ambivalent) - this point is addressed later.

Nor is it the goal of the author to look at the new instruments in detail in this paper, although there might be a need to assess new approaches such as special integration contracts in particular, or subsidies to social plans easing the effects of mass layoffs.[3]

Special mention must, however, be made of "uncommitted funds for labour promotion" provided for under Social Code III, Section 10; according to this provision, employment offices have discretionary powers to earmark up to 10% of their funds for active employment promotion. They can take advantage of this legal provision to expand employment promotion options. This amounts to funds in the order of a maximum of DM 2 to 3 billion.[4] Consequently, each individual employment office has considerable flexibility to act with a local focus, although they must observe the same objectives and principles as apply to statutory support and they may not use the funds simply to top up statutory payments.

---

[2] See Section 4.2.

[3] In 1998, the IAB launched two long-term representative projects to evaluate the wide range of company-related hiring incentives (IAB projects 10-497 and 10-498). Regarding social plans, the IAB commissioned the Institut Arbeit und Technik in Gelsenkirchen to engage in parallel research (IAB project 10-508A).

[4] In their 1998 budget planning, the employment offices estimated that they would receive about DM 700 million in uncommitted funding, i.e. about 2.7% of the budget item for re-employment.

BEST COPY AVAILABLE

These uncommitted funds should open up the way for new and alternative support measures, as was the case with the new types of co-financed public employment called "structural adaptation schemes" - a special job creation scheme supporting structural policy. These may be "model projects", but they must also be systematically monitored and evaluated with a view to promoting the interregional learning process (Brinkmann 1998b, Brinkmann/Schmitt 1999).

Uncommitted funds are already an important resource for the more comprehensive regional authority of local employment offices as provided for by Social Code III. Before proceeding, it might be useful to clarify certain terms. Strictly speaking, regionalisation means that the regional levels are empowered in the decision-making process, while decentralisation means that the implementation of defined programmes is delegated to a lower regional level (Hild 1997, 224). In this sense, the new law decentralised a large part of employment promotion away from the federal level, although decision-making has been shifted as well. Clearly, the main intention of this was to increase the employment administration's effectiveness and efficiency (Brinkmann 1998a).

Pursuant to Section 9, employment promotion shall be provided for mainly by local employment offices acting in cooperation with all parties active on the local labour market.

This might not sound very new compared to the former Employment Promotion Act. However, there is a new wrinkle in that amendments to other parts of the Social Code (Social Code IV, Section 71b) provide that all discretionary spending to promote employment must be concentrated in one single budget item, the *Eingliederungstitel*, and that all funds allocated to this item must be assigned to the employment offices (with minor exceptions) to be accountable for and to manage[5]. The employment offices must make funds available for each type of discretionary scheme, taking into account the situation and trends on the local labour market. What is totally new is that employment offices are now free to decide independently on their priorities, on how much weight they want to assign to e.g. training programmes, job creation schemes or hiring subsidies to companies in their region.

Any evaluation of efficiency and effectiveness of labour market policy must therefore give more consideration than before to regional flexibility and take into account the various support strategies developed by the employment offices. This and other legislative changes (such as permitting the involvement of third parties in placement efforts) have provided the employment offices with new authority and possibilities for cooperation; their ability to make good use of these is encouraged by the internal administrative reforms mentioned above.

[5] Active labour market policy funding is allocated centrally and distributed to the regions by decision of the tripartite (representatives of employers, employees, and public institutions) autonomous administrative bodies of the Bundesanstalt für Arbeit, and subject to approval by the Federal Minister of Labour. Most of the funding comes from contributions paid to the Bundesanstalt für Arbeit and is subsidised from the federal budget. Within the scope of the funds allocated to them, the employment offices are now free to decide on how they wish to use the funds assigned to them and on the mix of instruments they want to implement in their particular region.

BEST COPY AVAILABLE

Certainly, regionalisation could be interpreted to be much more extensive than is at present the case, mainly on the basis of Social Code III. There were, and still are, concepts that are much broader whose goal is to integrate labour market policy into a comprehensive regional employment policy (Kress, 1996). Be that as it may, after these changes, labour market policy in Germany looks rather different from the way it used to be.

2.3 Cooperation with third parties

It should not be forgotten that other developments in the context of labour market policy have strengthened and assigned more weight to the regional levels. Firstly, the law on welfare payments provides for increased stronger efforts by local governments to get unemployed welfare recipients back to work. This must be seen against the background of a continuously growing number of unemployed persons without any entitlement to benefits either under the Employment Promotion Law or Social Code III, or whose benefits are less than the welfare payments.

Secondly, the Bundesanstalt had lost its monopoly on placement and guidance to some extent even prior to the introduction of Social Code III. As a result, employment offices were obliged to rethink their counselling and placement activities. A phased method has been devised whereby a stronger emphasis is placed on the job-seekers' own initiative and responsibility, as Social Code III stresses in various provisions (Sections 2 and 19).

What is more important in the context under discussion here is that Social Code III, Section 37, permits employment offices to involve third parties in their placement efforts, if the person seeking training or a job consents. Such third parties might be Chambers of Commerce or Trade, associations, welfare offices or private agencies. Placement agencies may be established (e.g. jointly by the employment and the welfare offices) or existing ones may be approached. This means that cases involving persons with special placement handicaps that require intensive counselling and placement efforts, for which neither the employment nor the welfare offices have the necessary human resources, may be outsourced to third parties who might work on commission to try to find a placement according to the "Maatwerk method" developed in the Netherlands.

As third parties in the form of placement agencies gain profile, it would seem wise to record and systematically evaluate such local governments outsourcing. Only such evaluation will show the (net) results, which can then be weighed against the sometimes considerable (additional) expenses.[6]

3 Social Code III: output evaluations

In very general terms, this means administrative decentralisation, regional employment offices with budget responsibility for re-employment activities, and greater co-operation

[6] Finally, all this entails a comparison of costs and benefits of "regular" placement work by employment offices. For all newly piloted promotion programmes (including placement promotion activities) paid for with uncommitted funds now provided for under Social Code III, Section 10, the Bundesanstalt budget includes funding to finance a limited amount of research which may be requested by the regions.

BEST COPY AVAILABLE

to make labour market policy efficient and responsive to regional needs. All of this presupposes transparency so that progress can be tracked easily and undesirable developments identified. It is precisely for this reason that employment offices are now required to draw up output evaluations (*Eingliederungsbilanzen*) that also include input indicators to reflect active employment promotion activities that they have funded.

3.1 Purpose and design

As from mid-1999 (for fiscal year 1998), all employment offices will be required to compile and publish annual output evaluations.

According to article 11 of the law, which specifies in some detail which data must be included, evaluation reports must contain the following information:

- volume of funds and distribution,
- average per capita expenditure on measures,
- number and distribution of different activities and inclusion of groups requiring special assistance,
- proportion of women involved,
- placement rate,
- rate of participants in programmes in employment/remaining unemployed,
- general conditions characterising the regional labour market,
- longitudinal development of programmes.

The most important part of the *Eingliederungsbilanz* is the data on the employment status of each individual "a reasonable period after completion of a measure". This means that each employment office is required to categorise the various measures offered and show how many of the participants are registered as unemployed six months after each measure has ended. This short-term perspective (over six months) is insufficient to indicate how many are employed, or employed in the open labour market, as had been planned originally. Where possible, the report must include data on groups of people who need special help. Because of the nature of the statistics that are currently available and to keep the data manageable, this will initially be limited to the following groups: long-term unemployed, disabled/groups classified as disabled, older workers (50+) and persons returning to working life. Women are listed separately.

The Bundesanstalt's head office has been asked to establish uniform evaluation guidelines in order to ensure comparability of regional and national output evaluations. Figure 2 is an excerpt from the mode.*Eingliederungsbilanz* showing the ratio of subsequently unemployed participants to all participants. The first evaluation report in mid-99 will already be able to include these ratios for the 1998 participants in most of the (broadly defined) programme categories listed.

The German Parliament explained the reasons for these reports as follows:
"The provision represents an additional element of control where budgetary responsibility is largely decentralised. Although decentralisation vastly increases the opportunity for effective and efficient employment promotion, it also increases the risk of mismanagement and biased decision-making. What is required is a method of control which does

BEST COPY AVAILABLE

Figure 2

Excerpt from model *'Eingliederungsbilanz'* according to section 11 Social Code III with follow-up information, indicators referring to proportion of participants not unemployed half a year after completion of measure (according to computerised register)

I Beneficiaries: Assistance ended in the year of reporting (absolute)
II Beneficiaries: not unemployed half a year later (absolute)
III Employment status rate : Proportion of beneficiaries not unemployed half a year after completion of all beneficiaries (II./I. *100 in %)

(The following table is to be filled in for each of the above categories I - III.)

			Of these: groups requiring special help 1)				
		Total	Total of hard-to-place unemployed persons 2)	Long-term unemployed	Disabled	Older (50+)	Interrupted working life
		1	2	3	4	5	6
Training (short term, up to 12 weeks)	01						
6-months allowance in case of self-employment	02						
Further education/vocational qualification	03						
Further education for the disabled (special scheme)	04						
Wage subsidies	05						Not appl.
Special wage subsidies for employees in newly formed businesses	06						
Special integration contract	07						
Special measures for young people with low qualifications	08-10			Not applica-ble		Not appl.	Not appl.
Job creation scheme (general)	11						
Special job creation scheme supporting structural policy	12						
Uncommitted funds for labour promotion (maximum 10% of total)	13						

Note:
1) According to section 7 (3) SC III. It is planned to include further groups in the next stages of the *Eingliederungsbilanz*.
2) Total of hard-to-place unemployed, i.e. number of persons showing at least one of the characteristics 3-6.

BEST COPY AVAILABLE

not in turn undo the advantages of decentralisation ... Although individual employment office districts are coping with different circumstances, the evaluation reports will allow for a degree of performance comparability. This in turn will induce the employment offices to compete for the best performance, something which is currently not possible, because the absence of transparency makes it impossible to see how well any one office is doing." (Deutscher Bundestag 1996, p. 155)

Eingliederungsbilanzen are therefore considered to be an important instrument that both clearly show the "effectiveness of promotion measures" and stimulate the employment offices to deploy measures more effectively and more efficiently as a result of managed competition. Only one phrase in the law betrays any doubts in the validity and usefulness of this procedure. The text says that in addition to these output evaluations, which consist of largely predefined indicators, there should also be data that "provide further information about the activities and their impact on the local labour market ..." (Section 11, paragraph 3).

To what extent can such output evaluations actually be valid? What problems do they create, and are there solutions to these problems or not?

3.2 General critique

Output evaluations are a step in the right direction: for the first time, standardised data in the form of "gross results" similar to process statistics on the employment status of participants in active policy measures will be available for all major fields of labour market policy on a regular basis. Until now, such basic data were only available for isolated cases, covered longer intervals in the case of various instruments and usually required special complex studies.

"Gross results" means: data on the employment status of participants which cannot be attributed exclusively to a specific measure. This effect can only be shown once it is known how many participants would have found work even without any assistance - one of the most complex criteria for evaluation. Only after these persons have been "deducted" can "net" results be obtained (i.e. such for which causal analysis can attribute the resulting employment status to participation in programmes)[7]. This essential difference is frequently ignored.

Notwithstanding both the law-makers' extremely ambitious goals for the *Eingliederungsbilanz* and the possible and probable misinterpretation (gross = net), this type of evaluation is to be welcomed. It will be of critical importance as part of a monitoring system that must of necessity become ever more detailed and complex. There is one other limitation that should be mentioned, however: its timing. It will be submitted too late to be used for direct controlling purposes, i.e. to influence the deployment of measures in the course of the same fiscal year.

BEST COPY AVAILABLE

[7] Another factor to be observed is the time element. The measure is intended to get people back in work as quickly as possible, i.e. more quickly than had they received no assistance. The difference between when an individual becomes re-employed with and without assistance shows the measure's net effect.

Output evaluations with such detailed legal requirements will cause other problems as well. Initially, they can obviously only include data on short-term re-employment successes. It is clear that some measures (e.g. preparatory measures) can only indirectly lead to re-employment. Similarly, long-term re-employment and qualitative career changes that come out of the measures in question are not reflected in the results. Another problem is that some of the measures have other purposes as well (e.g. vocational stability and better employability, structural improvement of the labour market, etc.) and other (incidental) benefits might play a role[8].

Different labour market structures may have a much greater impact on re-employment than anything an individual employment office can do in the way of promotion. This means that whether a participant in a job creation or skill improvement measure will become re-employed or not will partly depend on the conditions on the local labour market. The general conditions characterising the regional labour market were only included in the *Eingliederungsbilanz* as an after-thought, and then in such a brief and concise form that they cannot do more than hint at any real problems. In addition, comparisons over time are often more informative than the cross-sectional type of comparison provided for initially. Yet, here again, the data on the development of the measures over time (which was also added later, although this was not the original intention) is so thin, that it can do little more than intimate that there is a problem.

All of the studies on successful re-employment completed so far show that any more intensive concentration on target groups has a negative result on their re-employment rate (Blaschke/Nagel, 1995). Evaluations abbreviated to short-term output evaluations will probably trigger competition for the highest re-employment rates to the detriment of those persons who are most difficult to place. The dilemma is highlighted by the fact that the "groups requiring most help" are certainly high on the agenda, but this does not in itself provide the solution. Each of these categories of statistics can hide very different types of problems and impediments to employability. This factor should be carefully observed when referring to these statistics.

Figure 3 summarises the general problems potentially arising from the output evaluations generated in the form required. It will be important to identify any unwanted effects of this type of output evaluations and to act to contain them. A causal analysis of certain effects will be required to avoid misinterpretations of these evaluations.

3.3 The monitoring system: a work in progress

It is important to note that *Eingliederungsbilanzen* will not be submitted until after the fiscal year has ended. For this reason it was suggested that interim results be compiled and made available on an on-going basis. These interim results may be used to determine corrective action during the course of a fiscal year.

The compilation of output evaluation reports means that different files of the BA will have to be integrated. This will lead to a single personal client identification number that shows all of the employment offices' activities (benefits, counselling, placement,

[8] See Bach/Spitznagel, (1992), Autorengemeinschaft (1997), and Autorengemeinschaft (1998).

BEST COPY AVAILABLE

Figure 3

Major criticism of the new '*Eingliederungsbilanzen*'

- Only short-tem monitoring
  (unemployed after six months yes/no)
- No qualitative goals
  (employability, working conditions)
- No outcome indicators for the aggregate labour market level
  (easing the burden[9], structural improvement)
- Monitoring at the level of 'gross' results, which may not be interpreted as net effects of measures
- Only partial controlling for creaming effects
- Emphasis on cross-sectional regional comparison may lead to the wrong conclusions, as regions may only be partially comparable for structural reasons

BEST COPY AVAILABLE

[9] There will be an additional part showing the immediate quantitative effects of the measures on the local labour market (at the 'gross level')

implementation of measures) and allows a data match indicating whether an individual is employed or unemployed - an objective which goes far beyond short-term monitoring.

3.4 Significance for research

The introduction of the output evaluations described in this paper will mark the beginning of a new era for employment promotion evaluation instruments. The routine availability of gross data on the short-term employment status of participants in employment measures, together with the expansion and merging of data required to obtain this information, will close significant information gaps. This will open up new options for applying BA statistics and for control; at the same time, new demands will be made on evaluation research, and new data will be available for special studies primarily in the form of causal analyses.

Future records will be able to include a new type of detailed structural information on participants in measures; they will enable users to match long-term data (e.g. with records on employees in jobs requiring payment of social-security contributions); it will be possible to take samples from the newly-created IT systems (e.g. of surveys of measure participants, etc.). The IAB's outcome research will be able to use this new source of data - in fact, it has already taken action[10].

4 Outcome goals for the labour market

4.1 Target agreements

Eingliederungsbilanzen in their present form will be essential for the BA's controlling system, but they will be insufficient by themselves. They include the input and output indicators (expenditures, participant's subsequent employment status), however, the information they provide about their impact on the labour market is at best indirect and included only in an additional table (showing how much pressure programmes really did take off the regional labour market) and in some ancillary comments – apart from this, they do not include any "outcome" indicators.

There is a second series of objectives that was already touched upon in relation to the output evaluations and which has also been introduced: These are the "policy targets", initially defined as national targets; they have been previously approved by the regional units and may be supplemented by regional targets.

The plan is that they will lead to formally agreed targets at all levels of the labour administration in Germany, modelled on what is currently being piloted in a number of employment offices.

[10] Such analyses might be very useful also for comparative research into labour-maket policy instruments not included in the Eingliederungsbilanzen themselves (e.g. programmes financed by the European Social Funds).

BEST COPY AVAILABLE

The overall objective is to control placement, counselling, and the use of labour market policy instruments by means of binding, quantitative goals related to labour market impact[11]. The targets are defined in a complex process involving all organisational levels, then made binding; compliance is verified by the controlling system from time to time. Non-compliance triggers a dialogue intended to bring about behavioural changes.

Figure 4 lists the business policy targets for 1999: cutting long-term unemployment; cutting youth unemployment; appropriate and immediate response to vacancies; prompt, customer-oriented allocation of unemployment benefits and assistance or support payments for people in further training programmes.

Sorting these targets in areas of action and indicators shows that a number of important data are at present unavailable and must be replaced with indicators as interim solutions. This generates (healthy) pressure on the information system to catch up to meet current needs. One example: although the flow into long-term unemployment may be calculated generally (Rudolph, 1998), it is not yet part of the statistics available.

There are additional problems that arise from the fact that targets must be quantified[12]. At the moment when realistic goals for certain selected parameters must be programmed (at the end of the previous year)[13] the key data for the budget and economic trend projections will be available. But it is still difficult, even at national level, to infer any such values for specific goals from the labour market trend projections. If historical data were available the systematic relationship between the specific parameters and the relevant key labour market data would have to be analysed, taking into consideration the impact of economic trends and structural changes (shifts in trends, regional features) as well as institutional changes.

There were so many unsolved problems relating to a realistic definition of "anticipated indicator values" that the Bundesanstalt decided to make each regional level itself define 1999 reference values for goals based on current trends.

The emerging system of outcome goals may be an important addition to the interpretation of the *Eingliederungsbilanzen*.

Goal controlling provides additional assessment criteria for the potentially very heterogeneous and (sometimes) misleading results of the output evaluation.

An employment office with a relatively low (gross) re-employment rate (for each type of measure) might nevertheless attain most of its goals (e.g. fewer inflows into long-term unemployment), because the employment office

BEST COPY AVAILABLE

[11] Other means of control are legal regulations and the allocation of resources (available budget).
[12] One must also take note that such targets may not be manipulated.
[13] Indicator values to be expected in the existing situation which shall be affected as set out in the goals.

Figure 4
Examples of quantifications (federal level)

Labour market related organisational objectives using quantifyable indicators in major policy fields defined for all regional levels (first attempt in 1998 for 1999)

Priority objective	Activities	Indicator *)	Actual 1998	Target 1999	Changes in %
Reducing long-term unemployment	Minimise no. of entrants in LTU	Stock of long-term unemployed			
	Get more LTU people employed	No. of LTU leaving the register to take up regular employment			
	Female related indicator	Proportion of the stock of LTU females of the stock of all LTU related to the proportion of unemployed females to all unemployed persons			
Reducing youth unemployment	Reduce youth LTU	Stock of unemployed young people >25.			
	Place max. no. of applicants into apprenticeships	Apprenticeship-applicants not placed by 31 Dec. of the previous business year of vocational guidance related to the total of applicants of said year			
	Young females related indicator	Proportion of outflow of unemployed females >25 of all outflows of unemployed persons >25 related to the proportion of the stock of unemployed females >25 to the stock of all unemployed persons >25			
Placement indicators	Speed up vacancy filling	Proportion of placements faster than 30 days of all placements made			
	Improve relation of placements to vacancies	Placements into jobs with 7 days min. duration/outflow of vacancies			
	Female related indicator	Proportion of females of the outflow by placement related to the proportion of females of the stock of job-seekers			
Fast and customer-friendly granting of benefits	Process applications within 2 weeks	Average processing time for benefit applications			

*) For some activities no appropriate statistical indicators are available yet, but these will be developed.

BEST COPY AVAILABLE

- chose a mix of instruments best suited for the regional situation,
- in fact gave more attention to difficult cases, risking worse "gross re-employment figures", while achieving a relatively high net re-employment effect[14] (which is not reflected in the report) or
- because placement and counselling (as well as programmes) were more intensively focussed on difficult cases.

To some extent, the German labour administration could adopt the Austrian system, at least in the field of goal definition and controlling, because this system already has braved the introductory phase and created the requisite IT infrastructure.

The Austrian goals include regionally adjusted projections of economic and labour market trends to an extent that is not yet available in Germany. Non-compliance with the goals triggers a search for the causes at all levels as well as any possible "behavioural changes" that might be necessary, e.g. regarding the focus of activities (counselling, placement, measures) on the long-term unemployed.

4.2 Quality management

Goal controlling of this type aims exclusively at quantifiable targets - a general problem requiring additional activities.

There is a pilot project entitled "Performance-related management in the Bundesanstalt für Arbeit" which has been tested in four pilot employment offices since 1994 in co-operation with Bertelsmann Foundation (see Bundesanstalt für Arbeit, 1995 and 1996). Although it is true that the project looks at comparing performance, it also goes beyond this in looking for a new management concept which will increase employee motivation and optimise business processes with a view to greater customer satisfaction. Customers and employees are interviewed and trained in systematic goal-setting processes.

Quantitative goals for the work to be done have been agreed on. However, they include a great number of partial indicators still awaiting systematic verification. There is also a consensus on qualitative goals: to improve operations and the organisation of work, the quality of customer service, leadership, co-operation and employee satisfaction. So far, however, there is no agreement on labour market impact. In the author's view, this is a significant shortcoming. None of the quantitative indicators discussed so far sufficiently describes the quality of counselling, of vocational integration (duration, working conditions, employment to match qualifications), or the degree of involvement of and assistance to those individuals that are very hard to place.

Quality management is also needed for the labour market outcome goals and must still be integrated into the emerging system of target agreements. This discussion has just started in the Bundesanstalt and solutions have yet to be found. The same will also apply to the emerging controlling concepts in other fields of public administration (e.g. municipalities). It is doubtful whether customer (or politician) satisfaction surveys provide suf-

[14] Disregarding potential secondary effects (e.g. multiplier effect), net effects may never exceed gross effects. However high gross effects may in some cases be based on very low net effects (e.g. re-employment of people who would have been re-employed without the benefit of any measure).

BEST COPY AVAILABLE

ficient information on the quality of counselling and the enhancement of decision-making capabilities of those seeking help. In this respect, the experience of countries such as the Netherlands might help; they are focussing on quality management in their efforts to modernise the labour administration, going as far as to certify employment offices according to the international quality standard ISO 9001 (Netherlands Employment Service, year n/a).

5 Frame of reference: monitoring, controlling, and evaluation

This section offers a classification of the various individual trends described above. The literature on evaluation does not shed much light on evaluation or controlling: many definitions remain rather general and fuzzy.

The Social Science Research Center Berlin collated information on similar activities in EU member states to be included in a handbook on the evaluation of labour market policy that was published in 1966. In all of these countries these activities, whether referred to as controlling or (more frequently) monitoring, are being stepped up.

What emerged from this is that, pragmatically speaking, monitoring is a tool

- to document performance or failures to reach preset goals (though not to explain them)
- to open up and facilitate systematic feedback to the respective steering levels and
- to be based on regularly conducted observation of statistical indicators such as:

  - input indicators (e.g. funds),
  - output indicators (e.g. numbers of individuals successfully re-employed) and
  - outcome/impact indicators (e.g. numbers of individuals added to the group of long-term unemployed) (Auer and Kruppe, 1996, 901).

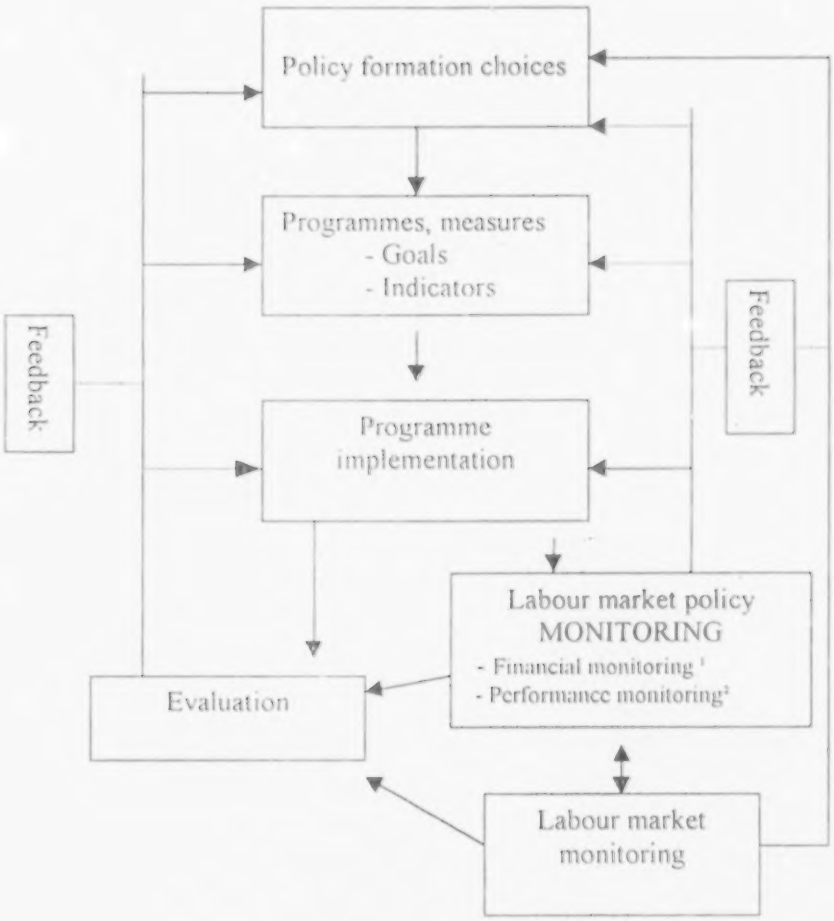
Thus, monitoring is a routine-based, quantifiable evaluation tool which needs to be complemented. Other tools for the same purpose might be non-quantifiable and non-routine information processing (and appropriate feedback to the decision-making level). Similarly, interpretative data might be gathered, i.e. complementary causal analysis research. This kind of data is needed to interpret the documented descriptive findings, e.g. to distinguish between gross and net re-employment figures within the scope of the *Eingliederungsbilanzen*.

In addition to this, and maybe even more importantly, research is required to select and interpret the indicators used for monitoring. What does a ratio of participants remaining unemployed recorded in the *Eingliederungsbilanz* mean for the goal of "improving employability"? What must be taken into account when the data only reflects the numbers of long-term unemployed rather than the inflow to long-term unemployment?

Figure 5 is a diagram by the same authors designed as an ideal-typical model to define monitoring and to specify the elements that need to accompany it (either before or after).

Figure 5

Monitoring Labour Market Policy
(Auer/Kruppe 1996, p. 908)



Notes
1 Controlling the outflow of budgets and the number of clients served in relation to the goals set
2 Observation of selected result indicators (e.g. postparticipation employment)

BEST COPY AVAILABLE

- definition of goals at the appropriate administrative/political level,
- selection of suitable indicators,
- routine-based monitoring processes to collect and process the information yielded by the indicators,
- feedback loops for evaluation purposes and for policy-makers.

Two things seem important here:

1. Figure 5 clearly shows that both information on programmes (programme monitoring) and labour market monitoring are required to obtain a comprehensive evaluation.

2. This interpretation of monitoring includes core elements of controlling: as has already been pointed out, the definitions of both remain rather fuzzy. Bearing in mind that such monitoring systems are restricted to routine-based, quantifiable and (usually) short-term effects (only short spells of employment, no consideration of the quality of the employment or whether it lasts), it is obvious that *controlling must go beyond monitoring if it is to cover all the major goals (including goals defined as labour market goals).*

   It is important to then ask what controlling is or what can it be? Here Postlep's definition (1994,11 ff.) for local governments might be helpful. The following brief commentary on his five guiding principles with regard to current employment service trends might be a useful point of departure.[15]

   1. *The enterprise is a self-steering system (control loop), i.e. feedback and correction ensure goal-focussed action.*

      Certainly, the concept of a control loop is fundamental and undisputed[16]. Major constraints exist at the technological level especially, due to the current limits of statistics and IT systems.

   2. *Such automatic control stresses strategic (longer-term) goal setting/planning more than operative (short-term) goals/plans. This ensures the goal-focussed control of the overall organisation and at the same time provides terms of reference for the assessment of short-term activities.*

      One of the consequences of stressing strategic, long-term planning for the employment administration is a commitment to multi-annual targets. This has already been done implicitly when business policy priorities were defined for 1999. Individual measures were decided according to the long-term problems on the labour markets, not according to short-term specific problems that might differ

[15] There is a corresponding definition in the BA's controlling system which reads:
"Controlling integrates various elements to effectively and economically control the administration with the aim of achieving agreed goals. To this end, controlling must make the right amount of information available at the right time and as comprehensively as required by the relevant decision-makers."

[16] It likewise corresponds to recent concepts on the sociology of organisations for system-environment relationships.

BEST COPY AVAILABLE

considerably from one year to the next.

In addition, these must be integrated into a commitment to higher-level goals set
- by the federal government (provided for in Social Code III)
- by the EU.

3. *The organisational framework must allow for the decentralisation of decision-making powers relating to duties, funds (budgeting in the sense of financial planning), and human resources, in tandem with lean management and consensus-based management. There should also be a performance-based incentive programme.*

As mentioned previously, organisational changes are in the pipeline. However, this on-going process of change does not really facilitate the introduction of a new controlling system.

Since 1998, *Eingliederungstitel* legislation (i.e. a budget item with non-allocated funds) has essentially served the same purpose as "budgeting".

However, the constraints resulting from the legal provisions governing the civil service and its remuneration as well as budget law cannot be overlooked.[17]

4. *A seamlessly operating information network should replace the current selective and needs-based supply of information. This network would provide a data base for the process of defining goals, establish the framework to coordinate the action of individual parts of the organisation, permit a verification of the effectiveness of implemented measures and of cost management, thus enabling the organisation itself to function as a control loop.*

Certainly, horizontally and vertically integrated, seamlessly operating information networks are the core of any controlling system. Reference has already been made to the need to link policy choices with the appropriate action and *Eingliederungsbilanzen*, for example. When determining whether or not business policy goals were actually achieved, precisely how they were or were not achieved is initially immaterial. The *Eingliederungsbilanz* might be consulted as one primary indicator. This might also help prevent misleading interpretations. However, additional evaluation factors must be systematically included as well (e.g. impact research results).

5. *Controlling requires broad support for management across the entire range of decisions policy-makers must take. This means that the administration would need to supply extensive and sound data for policy decisions, explain the consequences of the various options and ensure the execution of the decisions made.*

Providing management support at all levels within the BA including at the level of

[17] Consider how difficult it is to integrate adequate performance incentives into the civil service pay scales.

BEST COPY AVAILABLE

the independent administration bodies and policy-makers outside the BA, sounds laudable and would seem to go without saying. However, the important point is that complex control systems are only worthwhile if they are utilized, if they bring benefits and not just generate yet another set of figures. Costs and benefits must also be in proportion. Figure 6 shows the controlling modules that support a comprehensive evaluation system.[18]

- The purpose of *goal controlling* is primarily to help define performance and financial goals (steering goals) by showing the interdependence of various goals, goal/finance references and by making available all goal-related information (in particular, the planned cost for different programmes and degrees of goal accomplishment). Possible discrepancies between the short and the long-term must be noted here, as well as the frequent lack of clear priorities at the level of higher-ranking political goals. One example: is it more important to concentrate on prophylactic action (e.g. long-term skills enhancement policy to improve the supply situation) or to focus on a hard core of long-term unemployed in a given situation, and how relevant might this be within the entire range of strategies pursued by employment promotion schemes?

  One must also consider how much can be achieved by the BA's activities, where other areas of policy-making must make a contribution, where are the current "mega-trends" on the labour market that are hard to affect in the short run: all of these are exciting themes for research and are very relevant for any BA controlling system. One example: how may the BA reduce long-term unemployment anyway, if long-term unemployment partly (to what extent?) reflects problems of transition to retirement triggered by labour and social law?

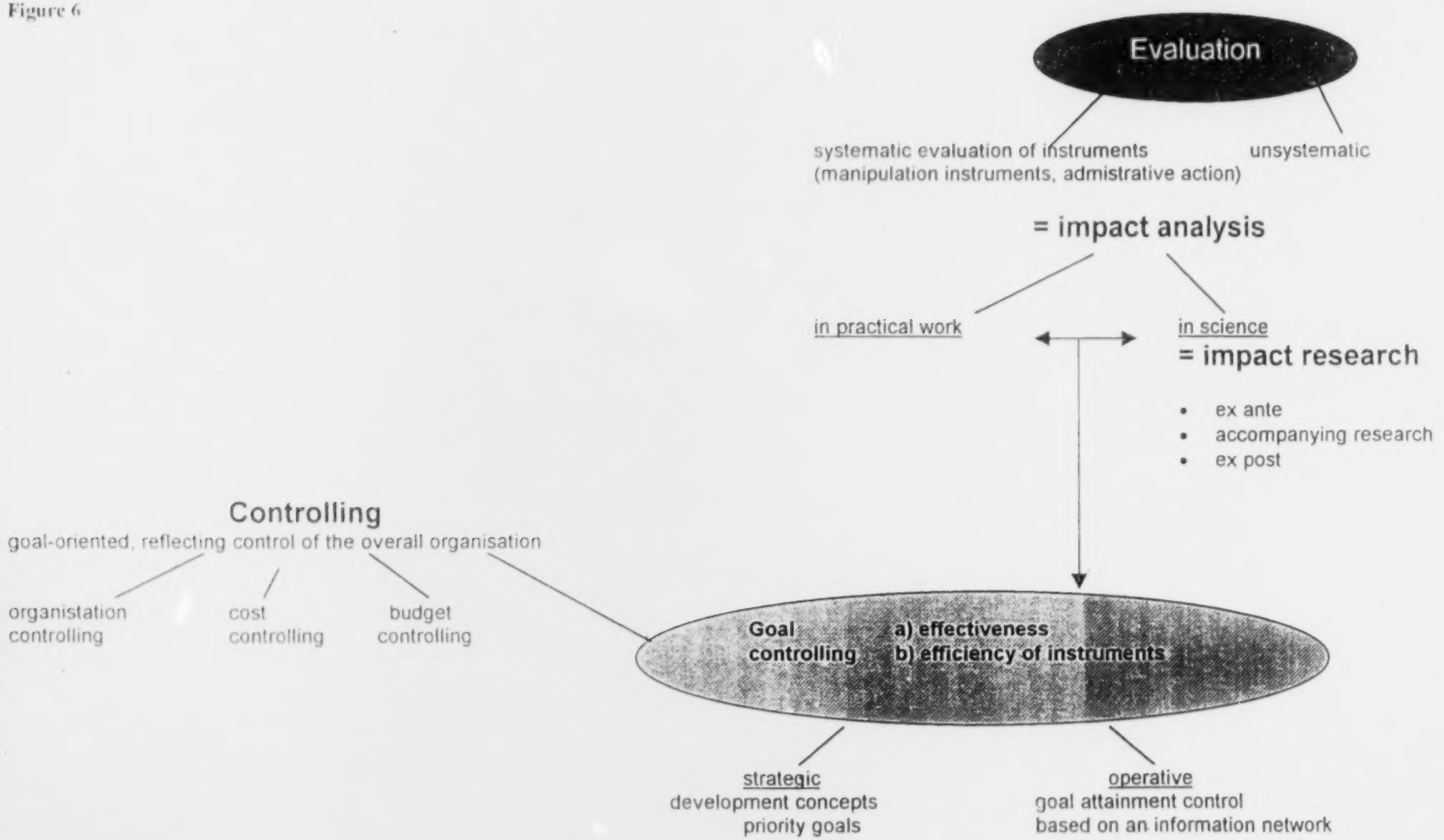
- In the case of *operative goal controlling*, the financial and human resources available annually must be taken into account. It must be determined what would happen to the different dimensions of these goals on the basis of status-quo assumptions - all the way down to the smallest regional units and the lowest decision-making levels. There must surely be considerable information gaps on how to set goals realistically.

  For example, how will the number of short-term filled vacancies change in the light of probable global and regional labour market trends, such as the numbers entering long-term unemployment? It will be important to identify valid indicators and realistic expectations. In other words, though put in somewhat exaggerated terms: without a sound basis in this area, controlling may become nothing more than a lottery, creating considerable frustration, even when falling short of the goals is not penalised and discussion and learning processes are generated (as they should be).

[18] See Postlep (1994,25) for local governments.

BEST COPY AVAILABLE

Figure 6



BEST COPY AVAILABLE

Information controlling is the overarching element linking the different fields together, yet at the same time it constitutes the biggest barrier to progress, because IT capabilities and ensuing bottlenecks in the statistics might obstruct many things that have already been recognized as being right. This has been true in the past, e.g. to get routine access to information on the employment future of ex-participants in job creation measures as had been available for those who participated in training and re-training programmes. As we have seen in the example of the *Eingliederungsbilanzen*, legal provisions help to get things moving.

Such substantial requirements from the perspective of controlling not only remain to be defined, but must also carry considerable weight in the debate. To put it bluntly: any information that is required for internal control purposes only, and not for official statistics and research, ought to be definable within the controlling network.

- *Budget controlling*, cost controlling and organisation controlling have not been discussed here at any length. These aspects are important but less relevant for labour market issues. However, the BA continues to work on these areas, as can be seen from the work being done on the "Arbeitsamt 2000" and "performance-based management". There is nevertheless some crossover with labour market research: wherever impact research (e.g. of the new types of programmes) overlaps with "research into implementation" because this is the only way of determining whether certain goals were attained or not.[19] In the case of cost controlling, some sub-indicators might be necessary to permit a comprehensive cost-benefit analysis, which would be the most sophisticated and comprehensive assessment of individual programme types.

Figure 6 also shows where impact research, which is mainly causal analysis, overlaps with controlling. Evaluation is the main focus here, and goal controlling is the common area of activity where monitoring, impact research and qualitative impact analyses from theory and practice meet - this is the only point where controlling in this area is complete.

What is not shown in Figure 6, although Figure 5 on monitoring reflects the same point and it has been mentioned repeatedly, is this: global and regional labour market analyses must also be included (goal size choices, development of valid indicators, determination of expectations, interpretation of results, complementing the findings relevant for the goals that cannot be captured by indicator-based systems.)

6 Outlook: Trends in the EU

At the EU level, the trend is towards "benchmarking" systems. Efforts are also being made to define common policy indicators to measure the achievement of the goals established by the employment policy guidelines adopted by the European Council in Luxembourg.

BEST COPY AVAILABLE

[19] See Deeke,Hülser,Wolfinger, (1997)

Benchmarking is "the search for best practices that lead to superior performance" (Camp, 1989; Tronti: 1998, 32), in other words basically benchmarking is a system establishing outcome goals and defining indicators to measure the attainment of such goals. To bring about positive changes, benchmarking analyses should always be seen in the same context as political action: learning and acting are mutually dependent and inseparable. Formal feedback loops show how close this is to controlling (Tronti: 1998, 33).

The same problems regarding form and substance arise, e.g. for cross-sectional comparisons of various regions. For this reason, the examples given by Tronti also show longitudinal comparisons within a region (the same argument was already discussed with regard to the *Eingliederungsbilanzen* under Social Code III). The resulting " reference figure" provides a meaningful standard (Tonti: 1998, 37):

"All indicators are transformed. the highest performance (i.e. an unemployment level of zero, an employment rate of 100% for the working-age population, zero youth and long-term unemployment) always has the value 1 in the charts. These "benchmarks" are clearly unrealistic, but they simplify the standardisation process. Together, the seven values form a calculable surface which is always comparable: if the single values are maximised (e.g. if the unemployment rate is minimised), the surface figure will increase".

The EU-wide employment policy guideline indicator systems that are now under development (European Commission, 1998) also include labour market-related outcome indicators, such as flow into long-term unemployment, as well as measure-related input and output indicators (ratio of number of participants to the number of unemployed; employment status of participants 6 or 12 months after participating in a programme). These efforts might really change things and create a picture that can no longer be ignored by controlling and evaluating activities inside and outside the labour administration.

BEST COPY AVAILABLE

7 References

Ammermüller, M. (1997): Reform der Arbeitsförderung - Grundlinien, Bundesarbeitsblatt 7-8

Auer, P./Th. Kruppe (1996): Monitoring of Labour Market Policy in EU Member States, in: *G. Schmid/J. O'Reilly/K. Schömann (editors)* International Handbook of Labour Market Policy and Evaluation, Chaltenham und Brookfield

Autorengemeinschaft (1998): IAB-AGENDA'98, IAB-Werkstattbericht Nr. 10 of 28.09.1998

Bach, H.-U. et al. (1998): Labour Market Trends andActive Labour Market Policy in the Eastern German Transformation Process 1990-1997, IAB Labour Market Research Topics, no. 29

Bach, H.-U./E. Spitznagel (1992): Arbeitsmarktpolitische Maßnahmen - Entlastungswirkungen und Budget-Effekte. In: *Ch. Brinkmann/K. Schober (Editors.)*, Erwerbsarbeit und Arbeitslosigkeit im Zeichen des Strukturwandels. Beiträge zur Arbeitsmarkt- und Berufsforschung (BeitrAB) 163. Nürnberg

Blaschke, D./E. Nagel (1995): Beschäftigungssituation von Teilnehmern an AFG-finanzierter beruflicher Weiterbildung, Mitteilungen aus der Arbeitsmarkt- und Berufsforschung (MittAB) 2

Braun, F. (1996): Lokale Politik gegen Jugendarbeitslosigkeit. Arbeitsweltbezogene Jugendsozialarbeit, Bd. 1, Deutscher Jugendinstitut, München.

Brinkmann, Ch. (1998a): Regionalisierung der Arbeitsmarktpolitik, ibv - Zeitschrift für berufskundliche Information und Dokumentation, Nr. 17 of 29. April 1998, Nürnberg.

Brinkmann, Ch. (1998b): Wissenschaftliche Begleitung innovativer Ansätze der Arbeitsmarktpolitik, die mit Mitteln der „freien Förderung" nach § 10 des Sozialgesetzbuches III gefördert werden, IAB-Werkstattbericht Nr. 3 of 08.05.1998.

Brinkmann, Ch./Kress U. (1997): Reformierung der Arbeitsförderung - Sozialabbau oder Finanzierung des Strukturwandels, in: ibv Nr. 30 of 23. July 1997, Nürnberg

Bundesanstalt für Arbeit (1995 und 1996): Leistungsorientierte Förderung in der Bundesanstalt für Arbeit, Zwischenberichte der Fachprojektgruppe, Unpublished manuscripts, Nürnberg

Bundesanstalt für Arbeit (1996a): Workshop „Herausforderungen an die Arbeitsmarktpolitik und AFG-Reform" vom 22 May 1996, Unpublished manuscript, Nürnberg

Bundesanstalt für Arbeit (1996b): Arbeitsamt 2000, Unpublished manuscripts, Nürnberg

Bundesanstalt für Arbeit (1997): Eingliederungsbilanz nach § 11 SGB III, Dienstblatt-Runderlaß 54/97 of 17. November 1997

Camp, R.C. (1989): Benchmarking - the Search for Industry Best Practices that Lead to Superior Performance. Milwaukee, WI: Quality Press

Deeke, A./O. Hülser/C. Wolfinger (1997): Zwei Jahre „AFG-Plus". Zwischenbilanz zur ergänzenden Förderung zum AFG aus dem Europäischen Sozialfonds, BeitrAB 208, Nürnberg.

Deutscher Bundestag (1996): Entwurf eines Gesetzes zur Reform der Arbeitsförderung (Arbeitsförderungs-Reformgesetz-AFRG), BT-Drucksache 13/4941, Bonn

European Commission (1998): Monitoring the Employment Guidelines: Common Policy Indicators, 25. Juni 1998, Brussels

Hild, P. (1997): Netzwerke der lokalen Arbeitsmarktpolitik, Berlin

Institut für Arbeitsmarkt- und Berufsforschung (1996): Sechstes mittelfristiges Schwerpunktprogramm des IAB. Ziele und Aufgaben der Arbeitsmarkt- und Berufsforschung 1996-2000.

Kress, U. (1996): Reform des Arbeitsförderungsgesetzes. Zum Stand der aktuellen Diskussion. IAB-Werkstattbericht Nr. 3 of 02.08.1996

Kulozik, E. (1998): Modell 'Arbeitsamt 2000' im Arbeitsamt Dortmund - eine Zwischenbilanz, Arbeit und Beruf 9

Lenk, K. (1993): Evaluationsbedarf? Evaluationsprobleme beim GAO, in: *Derlien, H.-U. (Hrsg.):* Programm „Gemeinschaftswerk Aufschwung-Ost" - Planung, Vollzug, Evaluation, Werkstattbericht Nr. 15, Munich.

Mertens, D./L. Reyher/J. Kühl (1981): Ziele und Möglichkeiten von Wirkungs-Analysen, MittAB 3

Netherlands Employment Service (no year): Quality; High standards today-Tomorrow the best

Postlep, R.-D. (1994): Controlling zur Rationalisierung in der Kommunalpolitik, in: *Bunde, J./Postlep, R.-D. (editor),* Controlling in Kommunalverwaltungen, Marburg

Rudolph, H. (1998): Risiko von Langzeitarbeitslosigkeit frühzeitig erkennen. Berechnung der Verbleibswahrscheinlichkeitkeit für Arbeitslose. IAB-Werkstattbericht Nr. 14 of 19.11.1998

Speckesser, S./H. Schütz/G. Schmid (1997): Benchmarking Labour markets and Labour Policies Performance With Reference to the Essen Strategy in: *Tronti, L. (1998):* Benchmarking - Employment Performance and Policies, European Employmetn Observatory - Research Network. Rome

Tronti, L. (1998): Benchmarking Labour Market Performances and Policies, inforMiSEP Nr. 61, Spring 1998

BEST COPY AVAILABLE

The papers published in this series:

1 Ulrich Walwei, Heinz Werner
Employment and Social Dimensions of the Single European Market (1993)

2 D. Bogai, F. Buttler, K. Emmerich, W. Klauder, M. Koller, G. Kühlewind, U. Möller
Promoting Employment Instead of Financing Unemployment - Advocating an Investive Employment and Labour Policy in the New German States (1993)

3 Gerhard Kühlewind
Long-Term Labour Market Projections - Methods and Results for the Federal Republic of Germany - (1993)

4 Manfred Tessaring
Manpower Requirement By Levels Of Qualification In West Germany Until 2010; Implications of the 1989 IAB/Prognos Projection for the Qualification Structure of Jobs (1993)

5 Ulrich Walwei
Monopoly or Coexistence An International Comparison of Job Placement (1993)

6 Heinz Werner
The Integration of Foreign Workers into the Labour Market, (France, Germany, Netherlands, Sweden) (1994)

7 Friedrich Buttler/UlrichWalwei
The Employment Contract Cooperation Requires Stability (1994)

8 Friedrich Buttler/Manfred Tessaring
Human Capital as a Location Factor. Arguments for the Education Policy Discussion From a Labour Market Policy Standpoint (1994)

9 Barbara Koller
Social and Occupational Integration of Immigrants of German Origin in Germany (1994)

10 Gerhard Kühlewind
Gainful Employment and the Inter-Generational Contract (1995)

11 Johann Fuchs
Long-term Labour Force Projections for Germany - the Concept of Potential Labour Force - (1995)

12 Heinz Werner
Economic Integration and Migration: the European Case (1995)

The papers published in this series (continued):

13 Alfons Barth
IAB Long-term Labour Market Projections and Policy Simulation with the SYSIFO Macroeconometric Model - Concept and Application (1995)

14 Thomas Rhein
The European Monetary Union: Possible Consequences for Employment and Earnings (1995)

15 Lutz Bellman/Susanne Kohaut
Determinants of Wages in the German Service and Manufacturing Sectors: An Empricial Analysis Based on the IAB Establishment Panel (1995)

16 Ulrich Walwei/Heinz Werner
More Part-time Work as a Cure for Unemployment?
Results of an International Comparison (1996)

17 Ulrich Walwei
Placement as a Public Responsibility and as a Private Service
An International Comparative Perspective of the Reorganization of Placement Systems (1996)

18 Heinz Werner
Temporary Migration of Foreign Workers - Illustrated with Special Regard to East-West Migrations (1996)

19 Lutz Bellmann
Wage Differentiation and Long-term Unemployment - An International Comparison (1996)

20 Lutz Bellmann
The IAB Establishment Panel with an Exemplary Analysis of Employment Expectations (1997)

21 Werner Karr
Conceptual Problems in the Understatement of Long-term Unemployment (1997)

22 Ulrich Walwei
Flexibility of Employment Relationships: Possibilities and Limits (1997)

23 Elmar Hönekopp
Labour Migration to Germany from Central and Eastern Europe - Old and New Trends (1997)

24 Lutz Bellmann, Herbert Dull, Jurgen Kuhl, Manfred Lahner, Udo Lehmann
Patterns of Enterprise Flexibility: IAB Establishment Panel Results, Western Germany, 1993-95 (1997)

The papers published in this series (continued):

25 Heinz Werner
Labour Market Trends in the United States - Lessons We Can Learn (1998)

26 Udo Brixy, Susanne Kohaut
Employment Growth Determinants in New Firms in Eastern Germany - - Based on a Combination of IAB Establishment Database and IAB Establishment Panel (1998)

27 Petra Beckmann
Working Hours and Wishes Concerning Working Hours Among Women in Western and Eastern Germany - Results of an Empirical Study from 1995 (1998)

28 Gerhard Engelbrech
Total (E)quality Management: Paradigmatic Shift in Personnel Management (1998)

29 Hans-Uwe Bach *et al.*
Labour Market Trends and Active Labour Market Policy in the Eastern German Transformation Process - 1990 - 1997

30 Frank Wiessner
The Bridging Allowance as an Instrument of Labour Market Policy - a Provisional Appraisal (1998)

31 Ulrich Walwei
Job Placement in Germany: Developments Before and After Deregulation (1998)

32 Melanie Kiehl/Heinz Werner
The Labour Market Situation of EU and of Third Country Nationals in the European Union (1999)

33 Heinz Werner
Countries With Successful Employment Policy- What Is Behind Their Success? (1999)

34 Edeltraut Hoffman/Ulrich Walwei
The Change In Emplyoment Forms - Empirical Results and First Explanatory Approaches (1999)

35 Alexandros Tassinopoulos/Heinz Werner
To Move or Not to Move - Migration of Labour in the European Union (1999)

BEST COPY AVAILABLE

The papers published in this series (continued):

36 Christian Brinkmann
Controlling and Evaluation of Employment Promotion and the Employment Services in Germany (1999)

BEST COPY AVAILABLE